

# Operators of Swap Meets, Flea Markets & Special Events

If you operate a swap meet, flea market, or special event in California, state law requires you to document, in writing, the seller's permit status of all people who sell at your event. You should not rent space to sellers unless they give you the written documentation described in this fact sheet.

## What is a swap meet, flea market, or special event?

In this context, a *swap meet*, *flea market*, or *special event* is any event where

- Two or more people or businesses offer merchandise for sale or exchange, *and*
- Prospective sellers are charged a fee for space rental *or* prospective buyers are charged an admission fee.

## You must obtain specific written documentation from sellers

### Information requirements depend on seller's status

**Retailers who must hold seller's permits.** People who sell merchandise in California are generally required to hold a seller's permit. Vendors who are required to hold permits must give you, in writing, their name and seller's permit number (a typical permit number begins with the letters SR followed by two or three more letters and an eight-digit number, for example: SR-KHJ-12-345678). Although it is not required, you may wish to obtain a copy of the vendor's seller's permit for your files.

**Sellers who are not required to hold seller's permits.** Certain sellers at your event may *not* be required to hold seller's permits. Those sellers must

- Provide you, in writing, their name, address, and *driver's license number* (or state ID number), along with the name of the issuing state; *and*
- State, in writing, (1) that they are occasional sellers (defined below), *or* (2) that they make only nontaxable sales. If the latter applies, they must also describe the products they will sell *and* state that the sale of those products is not taxable (see below).

**Occasional sellers.** *Occasional sellers* are usually individuals who are not required to hold a seller's permit because they will not be making a series of qualifying sales. A person who has cleared their garage of used items *accumulated for their own use* and who sells *only* those items would usually qualify as an occasional seller, provided they make sales no more than twice in a 12-month period.

**Vendors who make only nontaxable sales.** Some sellers are not required to hold seller's permits because they make only nontaxable sales. Examples include sellers of fresh produce or other cold food products sold "to go." Please note, however, that tax generally applies to the sale of food for

## Sales and Use TAX FACTS

### Publication 111 • LDA

For additional information you may wish to order our *Swap Meets, Flea Markets, or Special Events* Certification form

(BOE-410-D) or talk to a Board of Equalization representative. For assistance, please call 1-800-400-7115

(For the hearing-impaired:

— from TDD phone:

1-800-735-2929;

— from voice phone:

1-800-735-2922).

Internet: [www.boe.ca.gov](http://www.boe.ca.gov)

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consumption in places where admission is charged. Tax also applies to all retail sales of carbonated and alcoholic beverages.

If sellers are not sure whether they need a seller's permit or whether their sales are taxable, they should contact our Information Center for help.

#### **Form available for your use**

For your convenience, we can provide a form you can use for seller documentation: *Swap Meets, Flea Markets, or Special Events Certification* (BOE-410-D). The form is available from our offices and Information Center. If you choose not to use the form, please be sure that you still obtain all of the required seller information, in writing.

#### **Maintaining adequate records**

You must retain copies of seller verification documents for at least four years.

#### **Our representatives visit both weekday and weekend events to verify compliance**

Our representatives periodically visit selling events to verify that operators have complied with the legal requirements described in this fact sheet. The representatives may also check to see that vendors making taxable sales are displaying their seller's permits as required by law.

#### **We may require you to provide seller information**

We may send you a written notice that requires you to provide lists of all sellers who conduct activities on premises you own or control (you can send copies of individual seller verification documents if you prefer). You must supply the requested information within 30 days of the date of the notice. We will check the information you provide and let you know if any of the vendors at your event incorrectly represented their seller's permit status. You should not rent space to those vendors until we notify you that they hold a valid seller's permit.

#### **Seller's permit verification services available**

If at any time you want to determine whether a vendor has a valid seller's permit, you can call 1-888-225-5263 (toll-free) or use a service on our Internet site ([www.boe.ca.gov](http://www.boe.ca.gov)). Be sure to have on hand the permit number, the business name, business address, and business owner's name.

#### **Additional form helps localities receive tax for needed services**

We may ask you to provide copies of another form to registered sellers whose businesses are registered outside the city where you are holding your event. The form is called *Local Tax Allocation for Temporary Sales Locations and Certain Auctioneers* (BOE-530-B). While you are not required to distribute the forms, doing so helps ensure that the city or county where your event is held receives the local sales tax it is due.

#### **Lack of compliance may result in penalties**

If you do not comply with the state law summarized in this publication (Revenue and Taxation Code section 6073), you may be required to pay a penalty of up to \$1,000 for each offense.

#### **For more information**

For more information, please contact our Information Center or one of our field offices (see *Equalization, Board of*, in the government pages of your telephone book). Many field offices have special event coordinators who can help you with your reporting requirements.

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*Note: The statements in this fact sheet are general and are current as of November 1999. The sales and use tax law and regulations are complex and subject to change. If there is a conflict between this publication and the law or regulations, decisions will be based on the law and regulations.*